

SRA BOARD

25 April 2022

CLASSIFICATION – PUBLIC*This paper will be published***SRA Business Plan and Budget 2022-23**

Reason for paper	<p>This paper sets out the SRA's draft Business Plan and Budget for 2022–23, and describes the next steps required for:</p> <ul style="list-style-type: none"> • public consultation • finalisation of the Business Plan • publication of the Business Plan and budget by 31 October 2022.
Decisions(s)	<p>The Board is asked to:</p> <p>(a) review and comment on the draft Business Plan and Budget for 2022-23, and the public consultation process outlined.</p> <p>(b) approve the recommendation for the 2022-23 Compensation Fund contributions.</p> <p>(c) delegate final approval of the Business Plan and Budget 2022-23 consultation documents to the Chair.</p>
Previous Board and committee consideration	<p>The Board considered potential priorities and risks that may impact SRA work activity and resourcing in 2022-23 at its workshop discussion on 5 April 2022.</p> <p>The Board oversees the SRA's operational performance, and progress in delivering its objectives for 2022-23, and the SRA's overarching Corporate Strategy 2020-23.</p>
Next steps	<p>Subject to feedback from the Board, the draft Business Plan and Budget for 2022-23 will be finalised for public consultation between 4 May and 17 June 2022.</p> <p>Consultation outcomes will be shared with the Board during summer 2022, ahead of the finalisation of the Business Plan and Budget for 2022-23.</p>

If you have any questions about this paper please contact: Liz Rosser, Executive Director of Resources - Strategy and Innovation
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SRA Business Plan and Budget 2022-23

Summary

- 1 This paper describes the SRA's draft Business Plan and Budget for 2022 23, and the steps required to proceed to public consultation, ahead of finalisation of the Business Plan and Budget to take effect on 1 November 2022.

Background

- 2 The SRA's [Corporate Strategy for 2020-23](#) sets out our strategic objectives in three areas:
 - Setting and maintaining high standards for the profession and ourselves
 - Technology and innovation
 - Anticipating and responding to change
- 3 The Strategy covers our commitments to improve access to justice, to achieve good outcomes for consumers, and to promote equality, diversity and inclusion across each of the three objectives, and in-turn across all areas of our work. Each objective includes an outcome statement describing the approach we propose to take to deliver our projects and our core activities.
- 4 Our Business Plan and Budget reflects the current three-year Corporate Strategy and sets out our proposed workstreams and use of resources for the final year of the current Strategy, starting on 1 November this year and concluding on 31 October 2023.
- 5 We consult a wide range of stakeholders on our Corporate Strategy, on our Business Plan, and on our budget proposals.

Discussion

- 6 The draft Business Plan and Budget is attached at annex 1.
- 7 It groups our proposed work activities under each of the three strategic objectives. Highlights from our proposed activities for 2022 – 2023 include:

Setting and maintaining high standards for the profession and ourselves
<ul style="list-style-type: none">• Delivering Solicitors Qualifying Examination (SQE) assessments that are reliable, fair and cost effective• Launching the first annual survey for the SQE's requirements for Qualifying Work Experience• Using data to review our approach to continuing competence and pilot potential new interventions

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- Introducing a new statement of expected behaviours for police station advice within the Police Station Representatives Accreditation Scheme
- Completing the 'year three' review of the SRA Transparency Rules and delivering our evaluation of potential changes in scope
- Delivering post-consultation outcomes and actions regarding our fining powers, our publication policy, and rules for health and wellbeing
- Introducing rules to protect consumers from excessive fees during claims for certain financial products and services
- Increasing numbers of anti-money laundering (AML) inspections and desk-based reviews, alongside thematic reviews of AML topics and responding to sanction regimes and changing legislation
- Progressing our public legal education workstream and our delivery of the 'Legal Choices' website
- Continuing to deliver our response to the Competition and Markets Authority's recommendations in relation to consumer information
- Targeted activities to better support marginalised and vulnerable consumer communities, including further progressing our activities within the immigration and asylum services sector
- Commissioning expert support to develop an EDI evaluation framework
- Maximizing the benefits of our hybrid working model and new work spaces
- Monitoring compliance and taking appropriate action in relation to our Transparency Rules, and diversity data collection requirements

Technology and innovation

- Building our research and our regulatory responses towards lawtech within regional networks
- Supporting the development of new technology solutions to regional access problems (deriving from our Regulators' Pioneer Fund access to justice programme in Wales / Southwest England) by replicating the approach in other regions

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- Partnering with the Ministry of Justice, the Department for Business, Energy and Industrial Strategy, and other influential agencies on tech-driven access to justice initiatives and helping lawtech providers and users access government funding
- Working to further embed outcomes from our pilots on unbundled legal services and on legal service market quality indicators
- Building additional lawtech expertise into our Expert Panel
- Regularly publishing and engaging closely with stakeholders to promote our case studies and key learning points emerging from our Innovation space
- Providing guidance on barriers identified through our lawtech research and engagement activity for small firms and targeted towards other communities
- Extending our 'proof of concept' work and promoting our findings
- Considering opportunities to continue building on the work of the Lawtech UK Regulatory Response Unit, potentially through our own sandbox or tech accelerator programmes

Anticipating and responding to change

- Progressing the framework and research outcomes established by our consumer segmentation research with Bayes Business School
- Completing and publishing two EDI-focused research projects
- Launching a quantitative analysis of the Professional Indemnity Insurance (PII) market to explore law firm and consumer impacts
- Publishing our Market Insight assessments and exploring new areas of focus including the impacts of unregulated legal service delivery
- Using our horizon scanning programme to feed SRA opinion pieces and to secure proactive discussion on emerging risks and changes to access to justice
- Leading work in response to the Government's review of regulation described in the 'Benefits of Brexit' paper

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- Completing a public affairs analysis to capture, profile and respond to views from solicitors, members of the public, and influential stakeholders across the sector
- Hosting events that lead to discussion on strategic issues including the future development of regulation in the legal sector
- Delivering our flagship Compliance Conference event
- Rolling out a programme of engagement with consumer groups and focus groups with members of the public, including opportunities for our Board members to meet members of the public in different areas of England and Wales

Draft Budget

- 8 The draft Business Plan includes our proposed budget for 2022-23 and the ways in which we propose to allocate it across our strategic areas. Once confirmed, the draft budget informs the amount that will be collected from the profession through practising fees.
- 9 The Law Society's Board is completing a similar exercise to finalise proposals for its 2022-23 business plan and its budget, including consultation on the Law Society's budget proposal and its required share of the overall practising fee requirement.
- 10 Both our consultation and the Law Society's consultation focus on our respective parts of the practising fee requirement, rather than the total Practising Certificate fee. However, post-consultation, the SRA Board and the Law Society Board consider feedback and confirm the practising fee requirements for 2022/23, prior to submission of our Practising Fee application to the Legal Services Board.
- 11 The draft budget, and proposed Compensation Fund Contribution for 2022-23 are attached at annex 2.

Consulting our stakeholders

- 12 Our consultation on the draft Business Plan and Budget 2022–23 will take place between 4 May 2021 and 17 June 2021.
- 13 Our stakeholder engagement plan will promote the consultation and that will also use bespoke events and approaches to seek feedback from different groups and communities. We will look to start initial conversations with stakeholders about potential areas of focus for our next Corporate Strategy, following the end of the 2022-23 business plan. Activities will include:

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- Roundtable events and discussion with stakeholders, including consumer groups, lawyers, EDI bodies, and professional representative groups
 - Digital activities that will include polls targeted at members of the public and legal services professionals, social media blog posts, and a webinar
 - Focus groups with members of the public including harder-to-reach communities
 - Targeted communication through our newsletters and other communication channels to all solicitors, local law firms, and other groups.
- 14 We will report back to the Board during summer 2022 to summarise our consultation responses and other feedback, and to confirm the final post- to approve funding requirement for 2022/23.

Identifying and understanding equality impacts

- 15 EDI considerations feed across the workstreams described in our draft Business Plan and Budget for 2022-23, ensuring that we are actively delivering our commitment to monitoring, identifying and assessing the EDI impacts of our work and responding to those impacts appropriately through our work activities.
- 16 We complete initial equality impact assessments (EIAs) of the Practising Certificate Fee, and of the Compensation Fund fee. Through this process we refresh and analyse data about protected characteristics, as defined in the Equality Act 2010, for solicitors alongside diversity information about law firms. We then consider what the data shows regarding the potential impacts for different groups of the fees they are required to pay during the practising certificate renewal exercise.
- 17 We refresh these EIAs annually, ensuring that we can continue to monitor the impacts of our fee structure on individuals with protected characteristics. This activity is also supported by improvements and refinements we are continuing to prioritise to improve the quality of our EDI data.

Recommendations: the Board is asked to:

- (a) review and comment on the draft Business Plan and Budget for 2022-23, and the public consultation process outlined.**
- (b) approve the recommendation for the 2022-23 Compensation Fund contributions.**
- (c) delegate final approval of the Business Plan and Budget 2022-23 consultation documents to the Chair.**

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- 18 The timetable for developing, finalising and publishing the Business Plan and budget are as follows:

26 April 2022	SRA Board to approve draft budget and Business Plan for consultation
4 May – 17 June 2022	Consultation on draft Business Plan and budget
28 June 2022	SRA Board to approve funding requirement which will be provided to the Law Society Council for information
5 July 2022	Law Society Council to approve TLS funding requirement
19 July 2022	SRA Board to approve Practising Fees for 2022-23
Late July 2022	SRA to submit Practising Fee application to Legal Services Board
13 September 2022	SRA Board to approve business plan for 2022/23 and budget for 2022/23
1 November 2022	SRA Business Plan and budget 2022/23 goes live

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Supporting information

Links to the Corporate Strategy and/or Business Plan and impact on strategic and mid-tier risks

- 19 This paper supports the prioritisation of themes and activities for the SRA's Business Plan for 2022/23, which delivers the third and final year of activity under the current Corporate Strategy for 2020/23.

How the issues support the regulatory objectives and best regulatory practice

- 20 The issues in this paper are relevant to the delivery of the Legal Services Act 2007's regulatory objectives, and the Better Regulation principles. The paper's recommendations are directly relevant to the progression of our work in developing our Business Plan and budget, and the approach we take in articulating the work we will take forward in pursuit of those objectives.

Public/Consumer impact

- 21 The Business Plan and Budget describes the ways in which we work to protect consumers, to empower them with good information, and to monitor and respond to access to justice risks.

What engagement approach has been used to inform the work and what further communication and engagement is needed?

- 22 The draft Business Plan and Budget will be published for public consultation from 4 May to 17 June 2022. The consultation will be supported by a programme of targeted engagement activity with stakeholders.
- 23 Our engagement activity will also explore early thoughts on potential areas of focus for the SRA's next corporate strategy with stakeholders, ahead of a wider programme of engagement on the Corporate Strategy in autumn 2022. This will be informed by feedback from the Board's Strategy Day on 18 May 2022.

What equality and diversity considerations relate to this issue?

- 24 Equality, diversity and inclusion activities are central to the substance of our Business Plan and EDI considerations are woven into those activities.

How the work will be evaluated

- 25 Feedback from the Board on this paper will inform the finalisation of the draft Business Plan and budget 2022-23 for consultation. Progress in delivering the Business Plan and meeting budget commitments will be monitored on an ongoing basis by the Board during 2022/23.

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Date **12 April 2022**

Annexes

Annex 1 [Draft Business Plan and Budget 2022–23](#)

Annex 2 **Draft budget and proposed Compensation Fund Contribution for 2022-23**

NB: annex 2 to this paper will not be published because it is commercially sensitive